



Alabama

2025 Annual Report

Public Service Commission



*Ensuring the balance between
consumers and regulated companies.*

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CYNTHIA LEE ALMOND, PRESIDENT
JEREMY H. ODEN, COMMISSIONER, PLACE 1
CHRIS V. BEEKER III, COMMISSIONER, PLACE 2

STATE OF ALABAMA

ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

January 10, 2026

JOHN A. GARNER, EXECUTIVE DIRECTOR

The Honorable Kay Ivey
Governor of Alabama
600 Dexter Avenue
Montgomery, Alabama 36130

Dear Governor Ivey:

Attached for your review is the Annual Report of the Alabama Public Service Commission (the "APSC" or the "Commission") for the fiscal year commencing October 1, 2024, and ending September 30, 2025. Said Annual Report details the operations of the APSC for the noted period as required by the provisions of the *Code of Alabama*, 1975, §37-1-41.

Additional copies are available and will be hand delivered upon request. The report may also be accessed as a PDF file on the APSC's website at www.psc.alabama.gov.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me at (334)242-5200.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Garner", is written over a horizontal line.

John A. Garner
Executive Director

JAG:act
Attachment

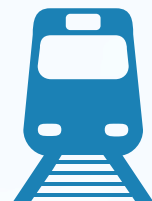
Mission



To provide a balance between regulated companies and consumers in order to provide consumers with safe, adequate and reliable services at affordable rates.


Since its creation over a century ago as the Railroad Commission of Alabama, the Alabama Public Service Commission (APSC) has remained committed to ensuring the citizens of Alabama receive reliable and affordable utility and transportation services at rates that are fair and reasonable. The agency's role has evolved throughout the years from the regulation of railroad transportation services to regulating all facets of public utility and transportation services. The entities regulated by the APSC include investor-owned corporations providing electric, gas and water service to the public and select providers of telecommunication and wastewater services. Additionally, railroads, buses, trucking companies and taxis operating outside police jurisdictions on a for-hire basis remain under the oversight of the APSC.

Governed by a president and two associate commissioners who are elected on a statewide basis, the APSC generates its principal funding from inspection and supervision fees received from companies regulated by the agency to carry out its vast responsibilities. Those funds are, however, appropriated by the Alabama Legislature. The work of the Commission is performed by a staff of approximately 64 competent and dedicated professionals who serve in the various divisions and offices.



Alabama Public Service Commission
P.O. Box 304260 Montgomery, AL 36130

 psc.alabama.gov

 1 (800) 392-8050

Meet the Commissioners



Chris V. Beeker III

Cynthia Lee
Almond

Jeremy H. Oden

President

Cynthia Lee Almond



Cynthia Lee Almond is an Alabama native, born and raised in Tuscaloosa. Upon graduating from Central High School, she then attended Vanderbilt University and received her Bachelor of Arts from The University of Alabama, majoring in history and minoring in Spanish. She continued her academic journey at The University of Alabama School of Law, where she earned her Juris Doctor. Cynthia has worked both in the private practice of law as well as at The University of Alabama School of Law, where she served as an assistant dean.

Cynthia brings extensive experience to the APSC and has consistently demonstrated her strong commitment to public service. She served four terms on the Tuscaloosa City Council, where she was elected by her peers as president pro tem of the council and served as chair of the Finance Committee. In 2021, Cynthia was elected to

the Alabama House of Representatives for District 63 in Tuscaloosa, where she served as chair of the Tuscaloosa County Local Legislative Delegation, as vice-chair of the Ethics and Campaign Finance Committee and as a member of the following committees: Ways and Means Education, Judiciary and Rules.

Cynthia's commitment to public service and love for her community extend well beyond her professional career. A graduate of Leadership Alabama, she later went on to co-chair its West Alabama Regional Council. Her civic involvement includes service on the Capstone Health Services Foundation and its Finance Committee, the Hank Poore Foundation, the Alabama Women's Commission and the BankFirst Advisory Board. She is also a past chair of the Alabama State Bar's Real Property, Probate and Trust Section. In addition, she has previously chaired the West Alabama Regional Commission and served on the Tuscaloosa County Tax Board.

An active member of First United Methodist Church, Cynthia also teaches Sunday school, reflecting her deep-rooted commitment to faith and community. Outside of her professional and civic responsibilities, she enjoys most any outdoor activity. She is the proud mother of two grown children and one grandchild.



President Almond's staff: Hanna Lombardi and Janey Whitney

Commissioner, Place 1

Jeremy H. Oden



A native of the Vinemont/Eva area in Cullman County, Jeremy H. Oden was appointed to serve as Commissioner for Place 1 on the APSC beginning December 2012. Commissioner Oden was first elected to the APSC by the people of Alabama in 2014 and again in 2018 and 2022, allowing him to continue serving the state through 2026. Previously, he served in the Alabama House of Representatives District 11 for Blount, Cullman and Morgan counties from 1998-2012.

Commissioner Oden serves in active roles for the National Association of Regulatory Utility Commissioners (NARUC). At NARUC, he is a past member of the board of directors and currently serves on the Electricity Committee. He is the past chair of the subcommittee on Clean Coal and Carbon Management. He was appointed by President Donald Trump's Department of Energy Secretary to serve as a member of the National Coal Council and served until the end of his appointment in 2022. Commissioner Oden was selected by the Department of Energy in 2017 to serve

as one of five commissioners from the U.S. to participate in the International Energy Policy and Technology Leadership Mission to China and Japan.

Commissioner Oden is also very involved in the Southeastern Association of Regulatory Utility Commissioners (SEARUC) as past president, past vice president and longtime treasurer. At past SEARUC meetings, he has been a featured speaker and led various panel discussions. He is recognized as a leader in regulatory authority and policy on multiple topics, including electric vehicles, grid reliability, power grid transportation, carbon management, carbon beneficial use, CO2 injection/transportation, pipeline safety and recently on the impact on the power sector for Artificial Intelligence (AI) power use and effects on the grid reliability. He also serves on the National Center for Public Utilities Advisory Council at University of New Mexico as a board member and advisor. He serves at many association meetings, conferences and education summits on southern grid reliability, electrification of the transportation grid and other energy topics.

Throughout Alabama, many natural disasters occur during the year, including hurricanes and tornadoes. He maintains close contact with the affected utilities for service to be quickly repaired and restored to customers. He works with constituents tirelessly to solve problems and make sure their interests are served. He works closely with the industry and manufacturing community to maintain reliable, safe and fair rates for them to be great economic partners for Alabama. Most Alabamians would agree the past few years have been trying and challenging. Commissioner Oden and his staff continue to show their willingness to serve constituents on both the national and local levels. He vows to continue fighting for fuel diversity in power generation and promoting safety along Alabama's roads, pipelines, transmission grid and railways.

Commissioner Oden is an ordained minister and serves as a local pastor of Bethel Church in Eva, Alabama. He is a husband and father, and they reside on a longtime heritage farm in Cullman County.



Commissioner Oden's staff: Aisha Smith



Left photo: Commissioner Oden regularly attends meetings across the U.S. regarding energy policy, production and regulation.
Right photo: Commissioner Oden visited the Lowman Pipeline Compressor Station in Choctaw County and discussed the station's conversion from coal to natural gas.

Commissioner, Place 2

Chris V. Beeker III



Recently appointed to Commissioner, Place 2, Chris V. Beeker III is a Greene County native, hailing from Eutaw, Alabama, where his family owns Beeker Catfish and Cattle. A graduate of the University of Mississippi at Oxford, Chris began his career in banking and finance.

During his notable tenure from 2017-2020 under President Donald Trump's administration as the USDA Alabama Rural Development Director and South Region Director, he spearheaded numerous successful economic growth projects. His efforts resulted in securing \$3.1 billion in funding to bring safe drinking water, wastewater facilities, community infrastructure, housing and broadband access to rural Alabama, positively impacting numerous cities and towns across the state.

In addition to his professional accomplishments, Chris has been actively involved in various roles, including serving as a Trump delegate, Alabama Wildlife Federation committee member, Greene County Farmers Federation board member and Chairman of the Greene County Republican Party.

As a Commissioner, he will continue to advance Alabama to be one of the most competitive states in the nation.

Chris is supported by his loving family, including his wife of soon to be 20 years, Carley, and their three children, Ford, Harwood and Mary Howard. The family are members of Trinity Presbyterian Church in Tuscaloosa where they reside.



Commissioner Beeker's staff from left: Tangela Kearns, Mary Caitlyn Montgomery and Kaitlyn Rayborn

Commission Staff

Executive Director of the Commission/Legal Division

Office of the Executive Director of the Commission

John A. Garner
Executive Director

Personnel Section

Rachel Archer
Departmental Personnel Officer

Rozetta Parker
Personnel Assistant III

Public Affairs Section

Caleb Hicks
*Communications and Public Relations
Manager*

Information Systems Services Section

Kay Oswalt
IT Systems Specialist IIII

Chalandra Betts
IT Systems Technician II

Dana Cheek
Programmer/Analyst III

State Legislative Affairs

Clarence Duncan
Public Utility Analyst Manager

Legal Division

John A. Garner
Chief Administrative Law Judge

Luke Bentley
Administrative Law Judge

Chad Mason
Administrative Law Judge

Ann Titus
Departmental Operations Specialist

Michelle Blount
Administrative Support Assistant III

Administrative Division

Walter L. Thomas Jr.
Commission Secretary

Jacqueline Mack
Administrative Support Assistant II

Barbara Smith
Administrative Support Assistant III

Finance Section

Kimberly Holt
Accounting Manager

Ernestine Huffman
Senior Accountant

Karen Dennis
Financial Specialist

Kasey Parson
Staff Accountant

Motor Carrier Records Section

Vacant

Electricity Policy Division

John D. Free
Director

Jerry Delancey
Administrative Support Assistant III

Electricity Section

Patricia W. Smith
Public Utility Analyst Manager

Tanya Champion
Public Utility Analyst III

Matthew Singleton
Public Utility Analyst I

Utility Services Division

Jeff Johnston
Director

Natural Gas Section

Donald C. Powell
Public Utility Analyst Manager

Stacie Berry-Chambers
Public Utility Analyst II

William Partlow Jr.
Staff Accountant

Services Section

David Peeler
Public Utility Analyst Manager

Telecommunications Section

Dee Newman
Public Utility Analyst II

Field Services Section

Vacant

Consumer Services Staff

Aquilla Spivey
Consumer Services Manager

Stephanie Sweet
Consumer Services Specialist

Water and Wastewater Staff

Jennifer Lyle-Mattox
Public Utility Analyst II

McKenzie Enebo
Public Utility Analyst I

Utility Enforcement Division

Amanda D. Shehane
Director

Motor Carrier Services Section

Devon D. Beaty
Transportation Regulatory Manager

Arkendrianna L. Mack
Public Utility Analyst I

Jennifer S. Morgan
Administrative Support Assistant III

Monica J. White
Administrative Support Assistant III

Railway Safety Section

Chris W. Hester
*Railway Safety Administrator and
State Rail Safety Program Manager*

C. Blake Conway
Railway Safety Inspector

J. Michael Lowe
Railway Safety Inspector

J. Eddie Nix
Railway Safety Inspector

Heath G. Thompson
Railway Safety Inspector

Gas Pipeline Safety Division

Jonathan M. Kimbril
Director

Felisa A. Webster
Administrative Support Assistant III

Gas Pipeline Safety Section

Shawn Emmons
*Pipeline Safety Investigations
Supervisor*

Daniel E. Trapp
*Pipeline Safety Investigations
Supervisor*

Preston Walls
Pipeline Engineering Graduate

Brett Cochran
Pipeline Safety Investigator, Senior

Randall D. Hand
Pipeline Safety Investigator, Senior

Will Harrison
Pipeline Safety Investigator

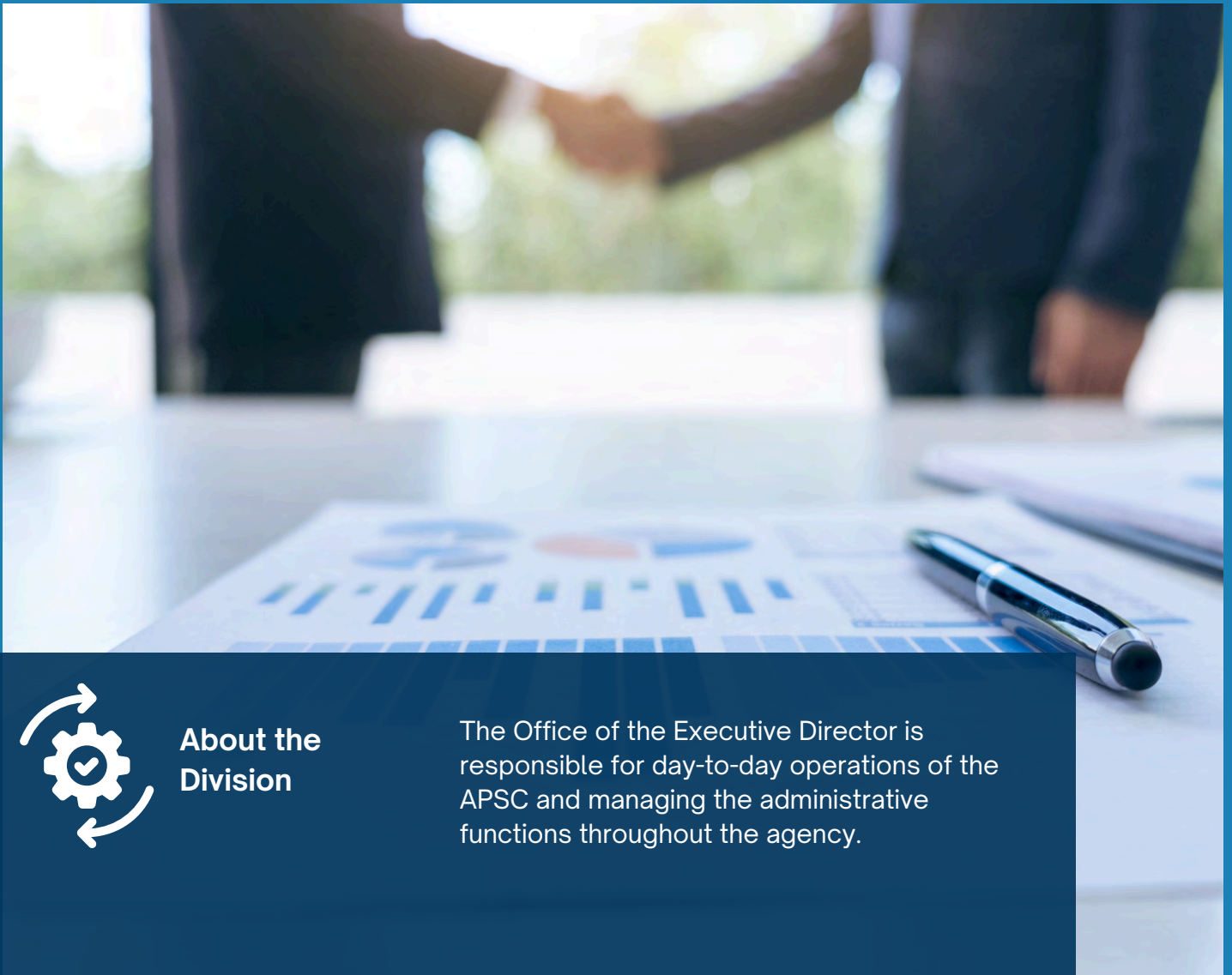
Kyle Childs
Pipeline Safety Investigator

Jeremy Humphries
Pipeline Safety Investigator

Kevin Key
Pipeline Safety Investigator

Kristopher Taylor
Pipeline Safety Investigator

Executive Director



About the Division

The Office of the Executive Director is responsible for day-to-day operations of the APSC and managing the administrative functions throughout the agency.

Executive

Director: John A. Garner



*Executive Director of the Commission
John A. Garner*

In December 2010, the Commission created the position of Executive Director of the Commission to facilitate more efficient day-to-day operations. Chief Administrative Law Judge, John A. Garner was named as Executive Director and was delegated the responsibility for the overall management of the Commission's daily functions, per the direction of the Commissioners. The Commission determined the Executive Director would report directly to the Commissioners, with each division director within the Commission reporting to the Executive Director.

In addition to being delegated the responsibility for managing the agency's administrative functions, the Executive Director is also responsible for acting on all personnel matters brought before the Executive Director by the various divisions, except those involving the separation of employees from service through suspension or termination. The Executive Director is also charged with uniformly implementing and enforcing the administrative policies established in the Commission's Employee Guidelines and Procedures Manual and other policies recommended by the Commission. The Executive Director is further charged with recommending any policy changes appearing necessary for the agency's betterment.

To assist the Executive Director in fulfillment of all assigned responsibilities, the agency employees with responsibility in the areas of personnel matters, information technology services, state legislative affairs and public affairs were assigned to report directly to the Executive Director. The functions performed by these personnel complement the primary areas of responsibility of the Executive Director and involve all divisions of the agency.

PERSONNEL SECTION

The Personnel Section consists of Rachel Archer, Departmental Personnel Officer and Rozetta Parker, Personnel Assistant III, who perform the many day-to-day functions necessary to implement the requirements of the State Merit System. The Personnel Section is responsible for all actions affecting Commission employees' employment status and maintaining all records of those actions. A primary function of the Personnel Section is to identify and implement changes in payroll expenditures resulting from appointments, resignations, promotions, terminations, etc. and using the Government Human Resource System, an automated payroll/personnel system. The Personnel Section also has primary responsibility for the administration of the Commission's eStart functions, which relate to all aspects of the time and attendance records of Commission employees.

Executive

The Personnel Section additionally oversees the in-processing and orientation of new employees and the out-processing of employees who are separated from service at the Commission. As the source for state and departmental rules, regulations and benefits that apply to employees, the Personnel Section provides information through the agency handbook, the State Personnel Department (SPD) Procedures Manual and various manuals provided by the SPD Training Division. Personnel processes requests to fill vacancies in the Commission with division director coordination.

As Departmental Personnel Officer, Rachel Archer, acts as the liaison with SPD, ensuring all personnel transactions align with state laws and SPD rules and regulations. She also represents the Commission at SPD Board meetings and the Council of Personnel Administrators. The Personnel Section also develops and assists in developing and updating job descriptions for Commission employees when necessary. This ensures appropriate classifications are selected for a particular job and may also be used as an indicator for change in classification and pay.



Personnel Section staff: Rozetta Parker and Rachel Archer

INFORMATION SYSTEMS SERVICES SECTION

The Information Systems Services Section (IT Section) is another important section organized under the Executive Director. Kay Oswalt, IT Systems Specialist III, is the IT Section supervisor. Along with her, Dana Cheek, Programmer/Analyst III, and Chalandra Betts, IT Systems Technician II, provide a variety of information technology services to the agency, including the operation of a local area network, which links the APSC divisions electronically to facilitate the sharing of data and information.

The IT Section also operates a bank of servers, including the primary file server, where users store information in secure folders that are backed up daily. This section is also responsible for running virus protection software and following best practices for information security and disaster preparedness.

Several systems are in place for consumer and user needs, which were established and maintained by the IT Section. These include small-scale database applications tracking motor carrier registrations, consumer complaints, information technology help desk requests and telecommunications data. The section also coordinates and oversees the maintenance of the agency's document imaging system with an outside vendor.

The IT Section staff also establishes email and network user accounts and provides help desk support for hardware and software issues experienced by end-users. Custom applications are also designed, primarily using Microsoft Access. The IT Section created and updated the APSC website, which offers the functionality of allowing consumers to file complaints online.

Executive

Commission orders and filings in APSC proceedings can also be accessed through the agency's website. Similarly, the IT Section captures the video footage of each monthly APSC public meeting and makes it available for viewing on the agency's website.



IT Section staff: Dana Cheek, Chalandra Betts and Kay Oswalt

STATE LEGISLATIVE AFFAIRS SECTION

Clarence Duncan, Manager of the State Legislative Affairs Section, is responsible for researching and recommending changes in law deemed necessary to enable the Commission to effectively perform its duties and functions. He is also responsible for monitoring all state legislative activity as it pertains to the Commission and keeping the Commission and its staff fully informed of the status of such matters in a timely manner.

Additionally, he produces and distributes documents that reflect the status of legislation pending before the Alabama Legislature and performs assignments regarding matters of interest to the Commission as directed by the Commission's Executive Director.



State Legislative Affairs Manager Clarence Duncan

PUBLIC AFFAIRS SECTION

Communications and Public Relations Manager Caleb Hicks manages communications and public information duties of the Commission. The responsibilities of the section include distributing information to news media and providing news briefings to Commissioners.

He also produces informational materials, including the APSC's annual report, brochures, presentation aids and other graphic materials. Additionally, he provides content to be posted to the Commission's website and Facebook page. He attends Commission hearings, meetings and other functions and monitors related media coverage.



Communications and PR Manager Caleb Hicks

Legal Division



About the Division

The Legal Division consists of Chief Administrative Law Judge John A. Garner, Administrative Law Judges Luke Bentley and Chad Mason, Departmental Operations Specialist Ann Titus and Administrative Support Assistant III Michelle Blount.

Legal

Chief Administrative Law Judge: John A. Garner

The Legal Division's administrative law judges preside over all legal proceedings before the Commission and make recommendations for the disposition of the cases they hear. Those recommendations are presented at the monthly Commission meetings for a decision.

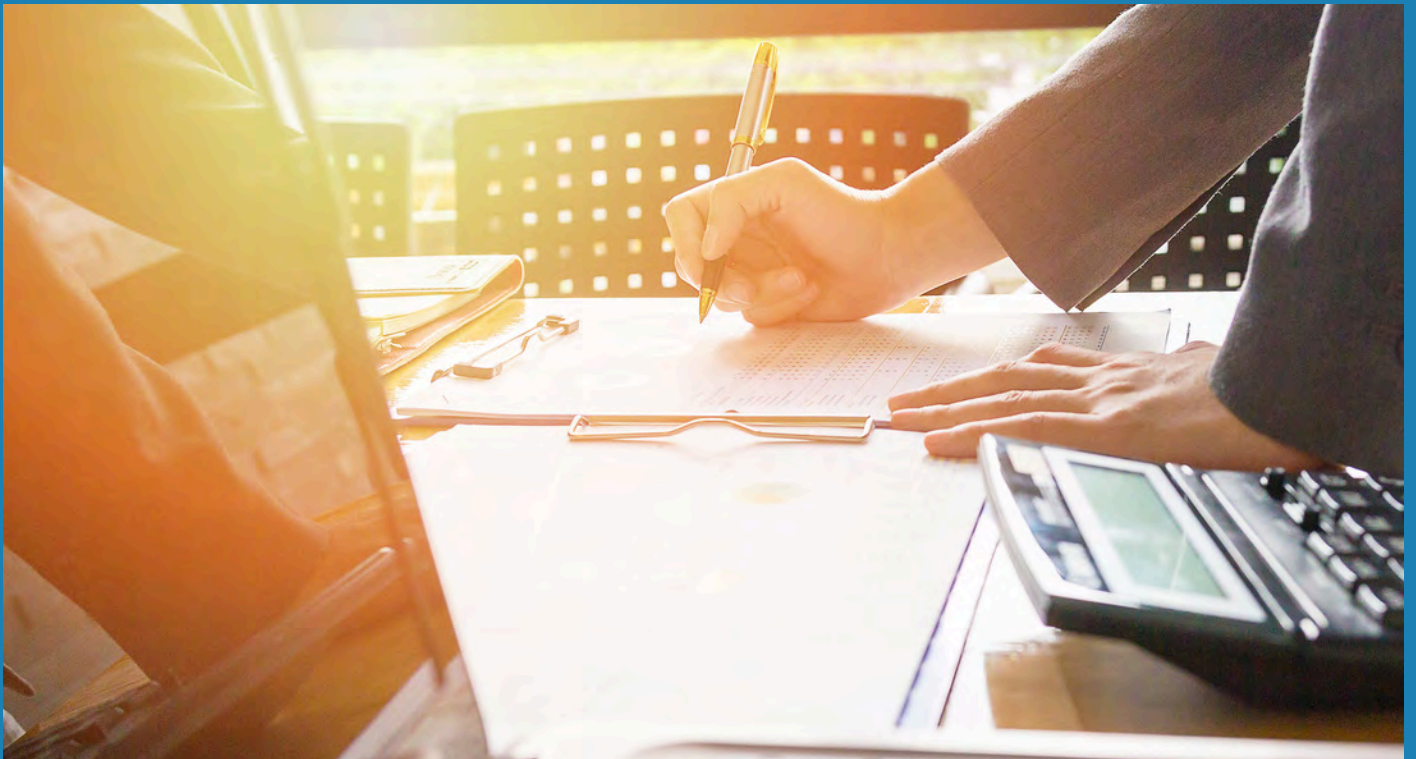
The Commission can adopt the recommendations of the administrative law judges in their entirety or vote to effectuate other outcomes when supported by appropriate evidence. Once the Commissioners render a decision, the administrative law judges typically draft orders that reflect the decision of the Commission and are signed by the Commissioners.

In addition to hearing cases and making recommendations for the disposition of pending cases, the Legal Division's administrative law judges provide legal advice and guidance to the Commissioners, Commission staff, representatives of utilities regulated by the Commission and the public. The administrative law judges also handle any other legal responsibilities that arise. Such matters can range from representing the Commission in court cases and personnel proceedings to representing the agency in administrative proceedings conducted by other state agencies and federal agencies.



From left: Michelle Blount, Luke Bentley, John A. Garner, Chad Mason and Ann Titus

Administrative Division



About the Division

The Administrative Division receives all filings made to the APSC and distributes them to the appropriate divisions. The division also assigns docket numbers to cases requiring public hearings and maintains an electronic file on cases so the status of any case may be obtained quickly.

Administrative

Commission Secretary: Walter Thomas Jr.

This section also records and distributes the minutes of each Commission meeting and attesting to and filing orders of the Commission. The division also certifies copies of orders and other documents of record in the official files. Filings include the Commission oaths of office, surety bonds covering each railway police officer appointed by the Governor, furnishing certification of the policeman's appointment along with the oath and bonding to the Secretary of State. The Commission Secretary signs orders to

authorize transportation companies to place reduced rates into effect on less-than statutory time to meet an emergency. The division provides public officials, attorneys, transportation and utility executives and other interested parties with the operating policies of the Commission upon request.

The Administrative Division is responsible for the retention and destruction of all APSC records and coordinates the transfer of records to the Department of Archives and



*Back row from left: Kim Holt, Jacqueline Mack, Karen Dennis and Walter Thomas Jr.
Front row from left: Ernestine Huffman, Kasey Parson and Barbara Smith*

Administrative

History, according to record retention policies. The division acknowledges receipt of filings and advises parties of requirements of the Rules of Practice and statutes governing proceedings in which they are involved. The division also gives general procedural information and answers inquiries requiring research into APSC records.

Lastly, the division is responsible for coordinating parking deck cards and departmental telecommunications services, which entails ensuring telephone and data lines are working properly. A tabulation of the principal activities of the division during FY-2025 is outlined in the table below.

Commission Orders Issued	736
Public Hearings Held	33
Report and Recommended Orders Issued	1

FINANCE SECTION

The Finance Section plans, coordinates, and directs the fiscal functions of the Commission, overseeing activities such as accounts receivable, accounts payable, budgeting, grant accounting, payroll, purchasing and other administrative support functions to achieve its goal of providing accurate and timely financial information to

the Commission. This includes preparing annual budget requests and operational plans; monitoring the budget for deviations and initiating necessary adjustments; preparing monthly financial statements and budgetary performance reports; billing utility companies for inspection and supervision fees; maintaining records of collections, delinquencies and insufficient payments; collecting and distributing Transportation Network Company (TNC) local assessment fees pursuant to Act 2018-127; verifying and processing vendor payments; coordinating agency payroll and maintaining payroll records; administering a centralized purchasing function in compliance with state and agency procurement policies; providing financial and accounting services related to the agency's federal grants; and conducting special studies or assignments as requested by the Commission.

This section is also responsible for managing the agency's non-consumable property, including maintaining employee responsibility records and conducting annual property audits to ensure compliance with the State Auditor's inventory management policies and procedures.

MOTOR CARRIER RECORDS SECTION

The Motor Carrier Records Section is responsible for preserving and maintaining the records of transportation companies using a complex database and recordkeeping system. The system is used on all motor carriers who are required to register with the APSC according to applicable state and federal laws and motor carrier rules and regulations of the Commission. Records retained by this section include, but are not limited to, motor carrier applications, vehicle identifications, transfers, name changes, transcripts, revocation and reinstatement orders and insurance filings on both active and inactive motor carriers.

Administrative

Dual Party Relay Fund Statement of Operations For the Fiscal Year Ending September 30, 2024 and 2025

	<u>Total Sept. 30, 2025</u>	<u>Total Sept. 30, 2024</u>
Comptroller's Beg. Cash Balance :	\$ 3,606,313	\$ 4,264,783
Dual Party Relay	-	-
Total Cash Available:	3,606,313	4,264,783
Disbursement of Encumbrances:		
Travel In-State	-	262
Utilities & Communications	12,319	27,066
Grants and Benefits	-	-
Total Encumbrances:	12,319	27,328
Disbursement of Operating Costs:		
Travel In-State	-	-
Utilities & Communications	58,424	74,652
Grants and Benefits	658,477	556,490
Total Operating Costs:	716,901	631,142
Transfer to General Fund	-	-
Transfer to General Fund: Prior year cash	-	-
Total Disbursements & Transfers:	729,220	658,470
Comptroller's Cash Balance, Ending:	2,877,093	3,606,313
Encumbrances	16,396	37,408
Unencumbered Cash Balance, Ending	<u>\$ 2,860,697</u>	<u>\$ 3,568,905</u>



As Commission Secretary, Walter Thomas Jr. is charged with accurately distributing all filings made to appropriate divisions and managing the APSC operating fund.

Administrative

Alabama Public Service Commission Operating Fund and Gas Pipeline Safety Fund Statement of Operations For the Fiscal Year Ending September 30, 2024 and 2025

	<u>PSC Operating Fund</u>	<u>Gas Pipeline Safety Fund</u>	<u>Total Sept. 30, 2025</u>	<u>Total Sept. 30, 2024</u>
Comptroller's Beg. Cash Balance:	\$ 7,878,018	\$ 1,303,604	\$ 9,181,622	\$ 5,692,373
Inspection & Supervision Fees -				
Utility/Water Companies	14,138,048	-	14,138,048	13,285,982
Telecommunications/Railroads	754,668	-	754,668	907,023
Motor Carrier Ins. & Reg. Fees	2,321,417	-	2,321,417	2,451,110
Gas Service Line Fees	-	564,602	564,602	524,833
Federal Dept. of Transportation	-	1,025,084	1,025,084	761,852
Alabama Dept. of Transportation	50,000	-	50,000	50,000
TNC Local Assessment Fees	624,012	-	624,012	501,438
Miscellaneous Receipts	11,508	-	11,508	49,293
Total Receipts:	<u>17,899,653</u>	<u>1,589,686</u>	<u>19,489,339</u>	<u>18,531,531</u>
Total Cash Available:	<u>25,777,671</u>	<u>2,893,290</u>	<u>28,670,961</u>	<u>24,223,904</u>
Disbursement of Encumbrances:				
Personnel Costs	-	-	-	-
Employee Benefits	-	-	-	-
Travel- In State	1,785	2,386	4,171	5,038
Travel- Out of State	1,300	5,943	7,243	7,085
Repairs & Maintenance	2,057	-	2,057	-
Rentals & Leases	10,112	622	10,734	9,565
Utilities & Communications	12,615	2,853	15,468	12,025
Professional Services	34,578	10,099	44,677	15,933
Supplies & Operating Expenses	7,834	2,424	10,258	6,393
Transportation Equipment Operations	1,058	3,883	4,941	5,381
Grants and Benefits	-	-	-	-
Transportation Equipment Purchases	41,349	86,238	127,587	167,498
Other Equipment Purchases	504	-	504	13,472
Transfer to State General Fund 100	-	-	-	-
Total Encumbrances:	<u>113,192</u>	<u>114,448</u>	<u>227,640</u>	<u>242,390</u>
Disbursement of Operating Costs:				
Personnel Costs	4,501,961	888,623	5,390,584	5,137,847
Employee Benefits	1,620,936	347,453	1,968,389	1,865,434
Travel- In state	16,840	23,556	40,396	50,513
Travel- Out of State	36,278	37,970	74,248	53,951
Repairs & Maintenance	7,301	291	7,592	30,298
Rentals & Leases	846,455	67,448	913,903	891,425
Utilities & Communications	78,594	17,289	95,883	115,835
Professional Services	223,396	17,811	241,207	234,672
Supplies & Operating Expenses	230,020	25,906	255,926	240,730
Transportation Equipment Operations	20,839	31,237	52,076	63,829
Grants and Benefits	-	-	-	-
Transportation Equipment Purchases	41,157	86,317	127,474	89,920
Other Equipment Purchases	98,778	3,193	101,971	25,442
Total Operating Costs:	<u>7,722,555</u>	<u>1,547,094</u>	<u>9,269,649</u>	<u>8,799,896</u>
Transfer to General Fund / Other Agencies	6,000,000	-	6,000,000	6,000,000
Transfer to General Fund: Prior year cash	-	-	-	-
Total Disbursements & Transfers:	<u>13,835,747</u>	<u>1,661,542</u>	<u>15,497,289</u>	<u>15,042,286</u>
Comptroller's Cash Balance, Ending:	<u>11,941,924</u>	<u>1,231,748</u>	<u>13,173,672</u>	<u>9,181,618</u>
Encumbrances	202,304	13,622	215,926	262,400
Unencumbered Cash Balance, Ending	<u>\$ 11,739,620</u>	<u>\$ 1,218,126</u>	<u>\$ 12,957,746</u>	<u>\$ 8,919,218</u>

Electricity Policy Division



About the Division

The Electricity Policy Division (EPD) is responsible for regulatory oversight of rates and services of electric investor-owned utilities (IOUs) in the state, as prescribed in Title 37, *Code of Alabama, 1975*, as amended. In Alabama, this jurisdiction applies to Alabama Power Company (APC or the Company), which is the only electric IOU in the state.

Electricity Policy

Director: John D. Free

In the execution of its duties, the staff performs financial analyses, economic evaluations and statistical data assimilation. In addition, the staff submits various inquiries to utility management to remain informed as to the manner and methods in which APC conducts its business.

This division also evaluates certain aspects of Southern Electric Generating Company (SESCO, which is jointly owned by APC and Georgia Power) and Energy Southeast (formerly the Alabama Municipal Electric Authority (AMEA)).

ALABAMA POWER COMPANY

Rate Stabilization and Equalization (Rate RSE)

Rate RSE is designed to lessen the impact, frequency and size of retail rate changes by periodically adjusting APC's charges to provide the Company a reasonable opportunity to recover its cost of providing service, including the allowed return established in the rate.



These adjustments are determined through the operation of a formula rate, as approved by the APSC in Dockets 18117 and 18416.

Under the terms of Rate RSE, charges are adjusted upward if the projected return for the upcoming year is below the designated range. Conversely, there is a downward adjustment if the projected return exceeds that range. Other provisions limit the impact of any one adjustment (as well as the impact of any consecutive increases) and test whether actual results exceed the return range. In that event, Rate RSE provides for the calculation of an amount that is returned to customers. There is no parallel adjustment, however, if the actual results for a given year fall below the range.

The point-of-test for Rate RSE is December 31 of each year, with an approved Weighted Return on Average Retail Common Equity (WRRCE) range of 5.75% - 6.15%. The adjusting point is 5.98% with an opportunity for an additional seven basis points if certain performance criteria are met.

Actual results for 2024 indicated APC's WRRCE exceeded the top of the RSE range. Accordingly, APC established a regulatory liability of \$12.5 million for Rate RSE refunds, which were distributed to customers through bill credits issued with May 2025 billings. See the Natural Disaster Reserve section for further details.

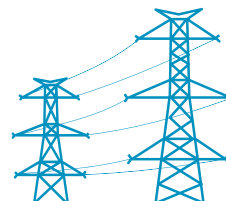
Electricity Policy



From left: Matthew Singleton, Patricia Smith, John Free, Tanya Champion and Jerry Delancey

On November 27, 2024, APC filed the 2025 Information and Calculations required by Rate RSE and the Special Rules Governing Operation of Rates RSE and CNP. Based on this filing, the projected WRRCE for the 12 months ending December 31, 2025, was 6.05%. EPD staff reviews the information and calculations underlying APC's annual submittal under Rate RSE, including APC's capital and non-fuel operation and maintenance expense budgets, as well as the purpose, status and cost of major electric system projects (both planned and underway).

Staff also examines APC's books and records monthly to determine the WRRCE for the current 12-month period. The staff prepares a summary report of this information for presentation at each monthly Commission meeting. As of September 30, 2025, the re-projected WRRCE for the 12 months ending December 31, 2025, was 6.56%.



Electricity Policy

Energy Cost Recovery (Rate ECR)

Rate ECR, the rate approved by the APSC in Docket 18148, is the mechanism used to recover retail customers' portion of certain energy-related costs. The ECR factor (ECRF) is 59.10 mills/kWh (5.910 cents/kWh), as established under the APSC's Order dated October 8, 2008. Following Commission practice, and with APC's consent, interim factors lower than the established ECRF have been implemented for prescribed periods of time to reduce the over/under collections accumulated in the energy cost recovery account. The staff evaluates the monthly Rate ECR reports filed by APC and prepares a summary report for each monthly Commission meeting.

By Consent Order dated December 18, 2024, the APSC adjusted the interim ECRF of 30.15 mills/kWh (3.015 cents/kWh) that was put in place under Consent Order dated May 8, 2024 to 26.00 mills/kWh (2.600 cents/kWh) for the billing months January 2025 through December 2025. Absent a further order from the Commission, the ECRF for billing months January 2026 and thereafter will be 59.10 mills/kWh (5.910 cents/kWh), as established under the APSC's Order dated October 8, 2008.

As part of its routine oversight, the staff performs a monthly review of the over- and under-recovery of APC's energy-related costs. As of September 30, 2025, the total accumulated energy cost balance was approximately \$83 million under-recovered.

Certified New Plant (Rate CNP, Part A)

Rate CNP, Part A (Part A), was established in 1982 in conjunction with Rate RSE in Dockets 18117 and 18416. The original rate provided for the recovery of the revenue requirement related to the capital cost of newly constructed generating facilities for which the Commission had issued a certificate of convenience and necessity (Certificate). In March 2017, Part A was updated to include the acquisition of plants and to provide for the recovery of projected operation and maintenance expenses related to new resources.

On August 14, 2020, the APSC approved the issuance of a Certificate in Docket 32953 for (among other things) the construction and installation of Barry Unit 8. On November 1, 2023, that unit, a combined cycle generating facility located near Mobile, was placed in service. On December 1, 2023, APC filed the factors and calculations under Part A to recover the associated costs effective with January 2024 billings.

(Rate CNP, Part B)

Rate CNP was modified in April 2000 to include a second provision, Rate CNP, Part B (Part B), providing for the recovery of costs (excluding fuel) associated with purchase power agreements (PPAs) that have been certificated by the APSC. Since the approval of Part B, APC has entered into various PPAs with companies to acquire the rights and assume payment obligations for third-party supply resources. (See table on next page.)

Electricity Policy

Active Purchase Power Agreements with Alabama Power Company

Order Date	Docket No.	Company	Generation Capacity	Initial Term	Commercial Operation Date	End Date
9/9/2011	31653	Chisholm View Wind Project LLC	202 MW Wind Energy (Oklahoma)	20 years	12/2012	12/2032
9/17/2012	31859	Buffalo Dunes Wind Project LLC	202 MW Wind Energy (Kansas)	20 years	12/2013	12/2033
6/9/2016	32382	AL Solar A LLC (Lafayette Solar Project)	72 MW (AC) Solar (Chambers County, AL)	28 years	12/2017	12/2045
8/14/2020	32953	Hog Bayou Energy Center	224 MW Combined Cycle (Mobile County, AL)	18 years	9/2020	11/2038
10/4/2022	32382	AL Solar G LLC (Walker Springs I Solar Project)	80 MW (AC) Solar (Clark County, AL)	15 years	12/2025	6/2040
10/4/2022	32382	AL Solar H LLC (Walker Springs II Solar Project)	80 MW (AC) Solar (Clark County, AL)	15 years	3/2026	6/2040
6/11/2024	32382	EG Saturn Solar I LLC (Saturn Solar I)	79.9 MW (AC) Solar (Perry County, AL)	15 years	6/2027	6/2042
6/11/2024	32382	EG Saturn Solar II LLC (Saturn Solar II)	79.9 MW (AC) Solar (Hale County, AL)	15 years	6/2027	6/2042

Electricity Policy

In accordance with the provisions of Part B, APC filed on January 31, 2025, the Information and Calculations Associated with CNP Purchase Factors. Although the filing reflected a projected under-recovery of costs recoverable under the terms of Part B in the billing months of April 1, 2025, through March 31, 2026, APC agreed to the current factors remaining in place for cost year 2025, as approved under the APSC's Consent Order dated March 4, 2025.

Of the active PPAs, only the cost of the Hog Bayou PPA is being recovered pursuant to Part B. As provided in Part B, the costs associated with the other PPAs are recovered in Rate ECR because they reflect the purchase of energy. Under the terms of those PPAs (as approved pursuant to the Renewable Generation Certificate discussed later), APC also has obtained rights to the environmental attributes, including renewable energy credits (RECs) associated with the energy provided under those agreements. APC retains the flexibility to retire RECs and serve its customers with renewable energy or to sell RECs, either bundled with energy or sold separately to third parties.

(Rate CNP, Part C)

Rate CNP was further modified in October 2004 to include a third provision, Rate CNP, Part C (Part C), which provided a mechanism to recover compliance costs associated with environmental mandates. Beginning December 2004 (and each December thereafter), APC is required to file calculations pursuant to Part C reflecting the CNP Compliance Factor for the recovery of such costs, along with its annual Environmental Compliance Plan. The first adjustment under the Part C provision went into effect in January 2005.

By Order dated March 3, 2015, in Dockets 18117 and 18416, the APSC authorized further revisions to Part C. These revisions complied with the Commission's December 9, 2014, Accounting Order in Docket U-5135 that directed APC to file an appropriate rate mechanism, outside of Rate RSE, for the recovery of costs associated with non-environmental (governmental) mandates. This revision to Part C enables the APSC, as well as APC, to readily identify cost pressures that are beyond APC's reasonable control.



Electricity Policy

These costs resulting from laws, regulations and other mandates directed at the utility industry (both environmental and non-environmental) have thus been recovered through the revised Part C mechanism, which took effect in January 2016.

In accordance with the provisions of Part C, APC filed on November 19, 2024, the calculations associated with its costs of complying with governmental mandates. The filing reflected a projected under-recovery of such costs that would be recoverable under the terms of Part C in the billing months of January 2025 through December 2025. APC agreed the current factors could remain in place for the cost year 2025, as approved in the Commission Consent Order dated December 3, 2024. In advance of this filing, EPD staff reviewed the Company's capital and non-fuel operation and maintenance expense budgets for the upcoming year, as well as the status and cost of major compliance projects.

(Rate CNP, Part D)

Rate CNP was further modified in December 2022 to include a fourth provision, Rate CNP, Part D (Part D), which would serve as a dedicated recovery mechanism for a change in depreciation expense that APC periodically experiences — specifically, the change arising from the effectiveness of updated depreciation rates that is not otherwise recovered through the existing provisions of Parts A and C of Rate CNP or associated with the capitalization of asset retirement costs.

In accordance with the provisions of Part D, APC filed on December 1, 2022, the factors and calculations associated with the change in depreciation expense resulting from the effectiveness of updated depreciation rates. On December 6, 2022, the APSC directed APC to offset anticipated bill impacts to customers in 2023 related to this filing by accelerating the return of Excess Federal Accumulated Deferred Income Taxes (ADITs) through the application of bill credits.

Certificates of Convenience and Necessity

Section 37-4-28, *Code of Alabama, 1975*, as amended, requires a Certificate from the APSC for the construction by a public utility of facilities to produce electricity, except for ordinary extensions of existing systems in the usual course of business.

By Order dated August 11, 2021, in Docket 32382, the APSC approved the petition of APC for a limited modification to the Renewable Generation Certificate (RGC). Originally granted by Order dated September 16, 2015, the RGC authorized APC to develop or procure up to 500 MW of capacity and energy from renewable energy and environmentally specialized generating resources for six years. The modification extended the term by another six years (to September 16, 2027), with all criteria, conditions and procedures applicable to the exercise of authority under the RGC remaining in effect.

Electricity Policy

By Order dated June 14, 2023, in that same docket, the APSC approved APC's petition to modify the RGC again to provide further authorization and implement certain changes that will enhance the process and allow APC to secure additional cost-effective projects in an efficient and timely manner.

To date, APC has issued four Requests for Proposals (RFP) for renewable or environmentally specialized energy resources for projects ranging from 5 MW to 80 MW, with the most recent RFP issued in 2024. Projects approved by the APSC under the RGC are also discussed in the Rate CNP, Part B, section of this report.

On October 30, 2024, in Docket 33513, APC filed a petition requesting the issuance of a Certificate to acquire the Lindsay Hill Generating Station, an existing combined cycle generating facility located near Billingsley in Autauga County, Alabama (Lindsay Hill). Petitions to intervene were timely filed by the Office of the Attorney General of Alabama, the Alabama Industrial Energy Consumers and Energy Alabama and GASP (Energy Alabama/GASP). All Petitions to intervene were granted. APC and Energy Alabama/GASP presented witnesses at a public evidentiary hearing held on April 15, 2025, followed by post-hearing briefs.

On August 13, 2025, the APSC issued a Certificate authorizing APC to acquire Lindsay Hill, together with all transmission arrangements, structures, substations, facilities, environmental control measures, facilities or arrangements for the handling, treatment, transportation, delivery and processing of fuel and all other appliances,

appurtenances, facilities, rights, equipment, acquisitions, commitments and accounting authorizations necessary for or incident thereto. In addition, the APSC directed APC to implement the rate and regulatory accounting treatments and tender all necessary filings and submissions to the APSC, as discussed in the petition and its testimony.

Natural Disaster Reserve (Rate Rider NDR)

In October 1994 (Docket U-3556), the APSC granted APC authority to establish a Natural Disaster Reserve (NDR) of \$32 million, to which the costs of extraordinary operation and maintenance expenses resulting from natural disasters would be charged. The NDR was established to help mitigate the disruptive effects of significant natural disasters in APC's service territory. Over time, the APSC has modified the NDR in furtherance of its purpose. These include authorizing discretionary accruals by APC, increasing the authorized balance to \$75 million, and expanding the costs chargeable against the NDR to include reliability-related expenditures. The APSC also implemented Rate Rider NDR to help establish and maintain a balance in the NDR sufficient to address the costs of future natural disasters.

By Order dated July 12, 2022 (Docket U-3556), the APSC authorized APC to make certain revisions to Rate Rider NDR, including a reduction to the maximum negative balance charge that could be assessed under the rate. The APSC also transitioned existing authority relating to the use of NDR amounts for reliability-related expenditures to a newly established Reliability Reserve, as authorized by Order issued July 12, 2022, in Docket U-5425. The revisions to Rate Rider NDR were effective with August 2022 billings.

Electricity Policy

On December 19, 2024 (Docket U-5044), the Commission authorized the Company to apply to the Natural Disaster Reserve the amount that remained undistributed following customer-specific refunds associated with the final judgments against the U.S. government for damages related to nuclear fuel disposal costs. In May 2025, the remaining amount of \$7.4 million was applied to NDR.

As noted earlier, APC's actual results for 2024 exceeded the Rate RSE range, thus leading to customer refunds. Following the customer-specific refund process, approximately \$0.9 million remained undistributed. As directed by the Commission, that amount was applied to the NDR.

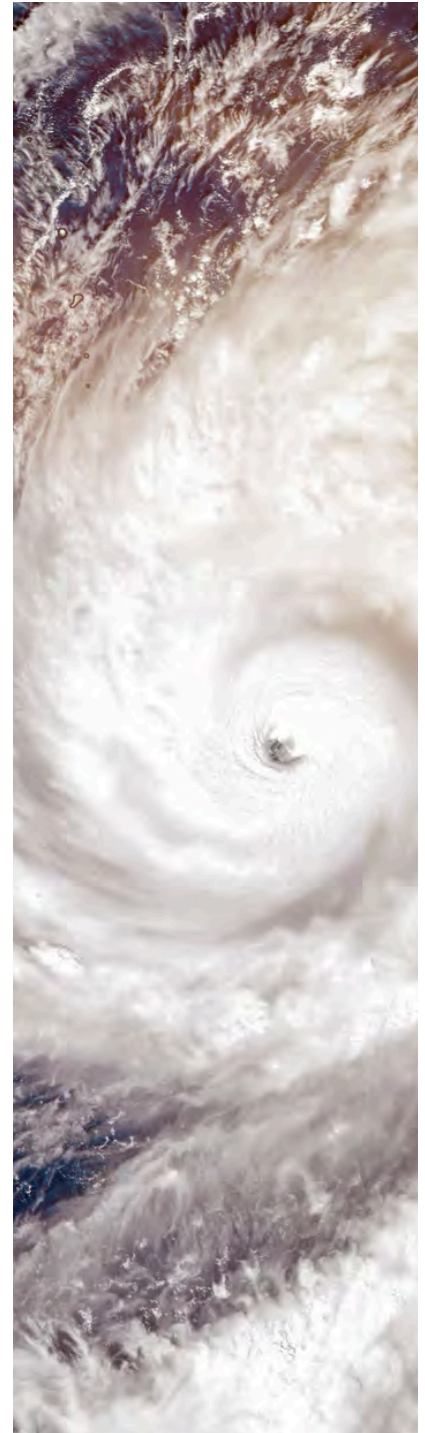
In 2025, APC incurred additional operation and maintenance costs of approximately \$96.7 million due to storm damage. As of September 30, 2025, the NDR had a net negative balance of approximately \$4.1 million.

Reliability Reserve

By Order dated July 12, 2022 (Docket U-5425), the APSC approved a request by APC to (i) establish a Reliability Reserve and the associated regulatory liability account; and (ii) authorize discretionary accruals to the Reliability Reserve. Pursuant to this authorization, APC made a discretionary accrual in December 2022, establishing an initial balance of \$166 million in the Reliability Reserve.

By Order dated July 11, 2023, the APSC approved a petition by APC to revise the accounting authorization for the Reliability Reserve, as previously granted in Docket U-5425. The revision expanded the allowed use of funds in the Reserve to include certain production-related operation and maintenance expenses intended to maintain the reliability of such facilities in periods between routine planned maintenance outages.

In 2025 and in accordance with APSC requirements, the Company provided notice of its intent to utilize up to \$30 million from the Reliability Reserve to offset eligible expenses between July 2025 and September 2025. As of September 30, 2025, the Reliability Reserve had a positive balance of approximately \$101 million.



Electricity Policy

Other Activities and Functions

Title 37, *Code of Alabama, 1975*, as amended, identifies the APSC's various responsibilities regarding utility regulation in Alabama. EPD staff performs various activities and functions, in addition to those listed previously, in fulfillment of the staff's role and responsibility in the APSC's regulatory oversight of APC.

The table below identifies filings and petitions by APC that were reviewed, analyzed, evaluated and/or researched by the staff during FY-2025, which were subsequently presented for APSC action.

Order Date	Docket No.	Description
12/3/2024	18117 and 18416	Rate CNP, Part C Factor Filing Deferral for 2025
12/18/2024	18148	Interim Energy Cost Recovery
12/19/2024	U-5044	Nuclear Damage Award Settlement Disbursement
1/7/2025	U-5024	Rate BTAL (Business Time Advantage - Large)
3/4/2025	18117 and 18416	Rate CNP, Part B (Power Purchase Arrangements) Factor Deferral
3/4/2025	18005	Rate PAE (Purchase of Alternate Energy) 46 th Revision
3/4/2025	U-5213	Rate CPE (Contract for Purchased Energy) 8 th Revision
6/5/2025	18117 and 18416	Jurisdictional Separation Study
8/5/2025	24860	Rate ILD (Incremental Load – Day Ahead)
8/5/2025	U-3605; 24860	Rate XRTPD (Real Time Pricing – Day Ahead) Restricted
9/9/2025	U-5491	APC Financing Petition for 2025-2027
9/9/2025	U-5492	SEGCO Financing Petition for 2025-2027

Electricity Policy

The staff's auditing function encompasses the performance of monthly analytical reviews and/or audits to assess the completeness and reasonable accuracy of financial information and/or other data submitted by APC.

The staff engages in various other audits/reviews including, but not limited to, the audit of Rate ECR, Rate CNP, Part B, Factors (filed annually by February 1), the Jurisdictional Separation Study review, also referred to as the "Cost of Service Study" (filed annually by May 1), the monthly analysis to test the billing accuracy of APC's standard residential rate and the audit/review of APC's compliance activities associated with environmental and governmental regulations.

ENERGY SOUTHEAST/SEGCO

Pursuant to the provisions of Section 11-50A-25, *Code of Alabama, 1975*, as amended, the Commission reviews and approves certain activities of the Energy Southeast (formerly AMEA). During FY-2025, Energy Southeast did not file a petition with the APSC.

The only activity of note related to SEGCO involved its financing petition for 2025-2027 (Docket U-5492), as shown on the preceding chart.



Lay Dam in Clanton, Alabama, produces hydro electricity.



Public Utility Analyst Manager Patricia Smith delivers a report during a monthly Commission meeting.

Utility Services Division



About the Division

The Utility Services Division is responsible for the regulation of telecommunications, natural gas, water and wastewater utilities in Alabama. Additionally, the division receives and attempts to resolve consumer complaints, disputes and inquiries related to telecommunications, electricity, natural gas, water and wastewater service. The division is organized into three sections: the Natural Gas Section, the Telecommunications Section and the Services Section.

Utility Services

Director: Jeff Johnston

NATURAL GAS SECTION

The Natural Gas Section is responsible for regulating all publicly owned natural gas distribution, transportation, storage and intrastate natural gas and oil pipelines in Alabama. This section is also responsible for monitoring the Rate Stabilization and Equalization (Rate RSE) and related programs for Spire Alabama Inc. and Spire Gulf Inc.

Rate Stabilization and Equalization

The Commission regulates the rates for the two largest investor-owned gas utilities in the state under a Rate RSE plan. Rate RSE has been in use since 1984 as a method to keep rates as low as possible while assuring quality service.

Spire Alabama Inc.

Each month, the Natural Gas Section examines books and records of Spire Alabama Inc., determines the return on average common equity for the preceding 12-month period and reports the financial and operational results of the previous month, including the return on average common equity, to the Commission. It also graphically summarizes Spire Alabama's recent operating history.

Under the RSE plan, rates for Spire Alabama are established each year based on the budget approved by the utility's board of directors and an authorized return range

determined by the Commission. Those rates are reviewed throughout the year at points-of-test, which can yield only decreases or no change to the rate. For FY-2025, the authorized return range for Spire Alabama was 9.50% - 9.90%.

Spire Alabama also has an incentive program, the Cost Control Measure (CCM), under which it must keep growth in operation and maintenance expenses below a specified range or face penalties. The utility has a temperature adjustment that tracks the effect of abnormally high or low temperatures on the recovery of non-gas costs. The section monitored both programs to ensure they were conducted in accordance with the approved tariff.

Spire Alabama has an Off System Sale and Capacity Release program designed to reduce its customers' overall gas costs. Off System Sales are defined as any Spire Alabama sale of gas, or gas bundled with pipeline transportation, made to parties at locations off the company's distribution system with any savings shared between the company and the customer.

Spire Gulf Inc.

Each month, this section examines the books and records of Spire Gulf Inc., determines the return on average common equity for the preceding 12-month period and reports the financial and operational results of the previous month, including the return on average common equity, to the Commission.

Utility Services

It also graphically summarizes Spire Gulf's recent operating history.

Under the RSE plan, rates for Spire Gulf are established each year based on the budget approved by the utility's board of directors and an authorized return range determined by the Commission. Those rates are reviewed throughout the year at points-of-test, which can yield only decreases or no change to the rate. For FY-2025, the authorized return range for Spire Gulf was 9.70% - 10.30%.

Spire Gulf also has an incentive CCM program, which it must keep growth in operation and maintenance expenses below a specified range or face penalties. The utility has a temperature adjustment that tracks the effect of abnormally high or low temperatures on the recovery of non-gas costs. The section monitored both programs to ensure they were conducted in accordance with the approved tariff.



*Back row from left: Donald Powell, David Peeler, William Partlow Jr. and Jeff Johnston
Front row from left: Jennifer Lyle-Mattox, McKenzie Enebo, Aquilla Spivey, Dee Newman, Stacie Berry-Chambers and Stephanie Sweet*

Utility Services

Local Distribution Companies

Another function of the Natural Gas Section is to maintain statistical data and keep the Commission informed of all facets of gas utilities' operations. Under that function, the following reports are prepared regularly:

Revenue and Expense Analysis
Competitive Fuel Clause
Gas Supply/Purchased Gas Adjustment
Return on Average Common Equity

During FY-2025, the Natural Gas Section was responsible for evaluating and making recommendations to the Commission on all matters relating to the following local distribution companies:

- Spire Alabama Inc.
- Spire Gulf Inc.
- Wheeler Basin Natural Gas Company

The section conducts its own investigations requiring examination of work papers, financial reports and other records. Findings are documented and evaluated in written reports and, when appropriate, meetings with officials of respective gas companies are held to discuss results. For matters requiring Commission approval, the section presents them, with recommendation, to the Commission.

Intrastate Storage and Pipeline Companies

During FY-2025, the Natural Gas Section was responsible for evaluating and making recommendations to the Commission on matters pertaining to the following intrastate pipeline and storage companies:

- American Midstream (Alabama Intrastate) LLC
- American Midstream (Bamagas Intrastate) LLC
- American Midstream (Tennessee River) LLC
- Bay Gas Storage Company Inc.
- Genesis Pipeline LLC
- Mid South Alabama LLC
- NextEra Energy Pipeline Holdings (Lowman) Inc.
- Pine Energies Inc.
- Third Coast Alabama LLC

TELECOMMUNICATIONS SECTION

The Alabama Legislature grants the APSC regulatory authority for intrastate landline (also known as wireline) communications. The Commission does not exercise authority for cable television, internet service, voice-over-internet-protocol phone service or wireless telephone service. Telecommunication providers subject to the Commission's jurisdiction include:

Incumbent Local Exchange Carriers (ILEC) — traditional providers of local telephone service; Competitive Local Exchange Carriers (CLEC); Interexchange (toll) Carriers (IXC); Long Distance (toll) Service Resellers (toll); Payphone Service Providers (PSP); Inmate Calling Service Providers (ICS); and Shared Tenant Telephone Service Providers (STS).

The Legislature's Communications Reform Act of 2005 (the Act) curtailed the Commission's authority over pricing for most retail telecommunication services. The Commission retained pricing jurisdiction for stand-alone basic service, optional telephone features, emergency telephone (9-1-1) services billing, consumer complaints, Federal Universal Service Fund (USF) administration and all wholesale service pricing.

Utility Services

As of September 30, 2025, four independent telephone companies, along with six toll and competitive telephone companies in Alabama, have not opted for regulation under the Act. Pricing for the services offered by those carriers remains wholly within the Commission's regulatory jurisdiction.

In 2009, the Legislature amended the Act to eliminate the Commission's pricing jurisdiction over stand-alone basic service and optional telephone features for BellSouth, CenturyLink and any rural telephone company agreeing to surrender their rural exemption from competition. As of September 30, 2025, 23 incumbent telephone companies remain regulated under either the 2005 Act or the Commission's price regulation plan that existed prior to its passage.

In 2014, the Legislature amended the Act to eliminate the Commission's complaint and dispute jurisdiction. Carriers no longer desiring to remain under the Commission's complaint and dispute jurisdiction must make their election known to the Commission. As of September 30, 2025, 14 ILECs and 13 CLECs have requested a waiver seeking exclusion from the Commission's complaint and dispute jurisdiction.

The Telecommunications Section reviews financial and rate information filed by telecommunications companies with the Commission and provides telecommunication policy and rule recommendations to the Commission.

The Telecommunications Section's responsibilities include, but are not limited to:

- Participation in certification hearings for new telecommunications service providers
- Regulation of all services for the ILECs and CLECs and toll providers who did not choose to be regulated under the Act
- Regulation of wholesale landline service and some retail services for all providers
- Analysis of telecommunications retail tariffs and intercompany wholesale agreements
- Investigation of telecommunications billing inquiries
- Telephone numbering resources management
- Regulation of Inmate Calling Services

Section Activities (FY-2025)

- Processed 13 tariff filings, two name changes and 17 interconnection, resale and collocation agreements for CLECs, wireless providers and ILECs
- Processed four applications for Certificate of Public Convenience and Necessity to provide toll resale and/or competitive local exchange service in Alabama
- Received and reviewed LEC and toll carrier's Family Violence Shelter Confidentiality plans in accordance with the *Code of Alabama, 1975*, as amended, Sections 37-2A-4 and 30-6-1, and with Commission Docket 29878

Utility Services

- Calculated the maximum annual increase in basic service rates authorized under the 2005 version of the Act based on the change in the Consumer Price Index and disseminated to the applicable ILECs
- Calculated the average statewide telephone bill for the Alabama Department of Human Resources to use in conjunction with federal distribution of public assistance funds
- Investigated and resolved 125 consumer inquiries associated with telephone service and/or billing
- Participated with the North American Numbering Plan Administrator (NANPA) in the management of telephone numbering resources statewide to include assignment of numbering codes to telecommunications carriers and recovery of underutilized numbering resources
- Participated with NANPA and the Alabama Telephone Industry Working Group to implement new area code 483 within the existing area code 334 geographic boundary
- Prepared 12 monthly code and block reports to NANPA
- Monitored the ICS rates and fees for all Department of Corrections facilities, county jails and municipal detention facilities
- Performed telephone audit compliance inspections at eleven separate detention facilities
- Processed three withdrawals/cancellations of Certificate of Public Convenience and Necessity

SERVICES SECTION

The Services Section is a diversified section consisting of specialists in the telecommunications, consumer services and water/wastewater areas.

The Services Section Telecommunications staff is responsible for the network-related regulatory oversight for the annual USF High-Cost Fund and Connect America Fund distributions. The staff is also responsible for the regulation of COCOT providers and Shared Tenant Service providers. The Services Section Water/Wastewater staff reviews and evaluates annual filings, applications and petitions submitted by water utilities and wastewater Management Entities (ME) and for setting rates and charges for water and wastewater utilities under the Commission's jurisdiction.

Staff regulates/monitors the activities of seven private water utilities and the financial viability of nine MEs that operate decentralized wastewater systems in Alabama.



Utility Services Division Director Jeff Johnston delivers a report during a monthly Commission meeting.

Utility Services

The duties performed by the Water/Wastewater staff consist of analysis of rate, financing and service petitions; performance of periodic financial reviews; and audits of utility accounting books and records. The staff also corresponds with the permitting agencies for water/wastewater utilities: the Alabama Public Health Department and the Alabama Department of Environmental Management.

The Services Section is responsible for regulating the following seven water systems under the Commission's jurisdiction in accordance with the *Code of Alabama, 1975*, as amended:

- Asbury Water System
- Escambia Community Utilities LLC
- Hiwannee Water Association Inc. (MS)
- Integra Water Creola LLC
- Plantation Water System
- Asset Management Professionals LLC (Formally Water Works Inc.)
- Blue Hole Water Company Inc.

Regulated wastewater utilities include:

- Alabama Wastewater Systems Inc.
- Bio-Flow Inc.
- Community Utilities of Alabama Inc.
- Integrated Wastewater Management Inc.
- O'Brien Environmental Service LLC
- Pinnacle Wastewater Systems LLC
- Riverbend Marina LLC (Regulated Non-Management Entity)
- Eco Preservation Services LLC
- R&D Wastewater Management LLC

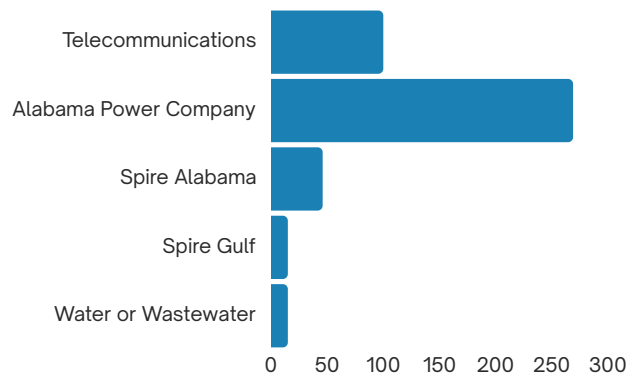
The Services Section Consumer Services staff assists the public in resolving disputes or inquiries made to the Commission related to regulated utilities. Resolution of these

disputes and inquiries is accomplished using several methods, including consulting with various utility service providers and other divisions within the Commission; research of Commission rules or accepted industry practices; or through an interface with other state and federal agencies.

Members of the Consumer Services staff are trained to mediate disputes, clarify action taken by the utility and respond to general and complex inquiries made regarding a utility and/or the Commission's rules. Additionally, the staff seeks to educate consumers on utility-related matters.

Water and Wastewater Activities	Total
• Certificate of Financial Viability Modification applications evaluated	4
• Certificate Renewal applications evaluated	5
• Water Utility Rate Cases	1
• Wastewater Utility Rate Cases	2
• Water and Wastewater audits	6
• New Certification	1

CONSUMER SERVICES COMPLAINTS



Utility Enforcement Division



About the Division

The Utility Enforcement Division is responsible for the supervision and regulation of motor carriers, including insurance, registration, rates and services offered by transportation companies authorized by the APSC to operate in Alabama. The division also regulates transportation network companies operating in Alabama.

Utility Enforcement

Director: Amanda D. Shehane



From left: Devon Beaty, Jennifer Morgan, Amanda Shehane, Arkendrianna Mack and Monica White

The Utility Enforcement Division (UED) is also responsible for safety oversight of all mainline and classification railroad yards and systems in Alabama. The Railway Safety Section enforces applicable federal safety regulations in partnership with the Federal Railroad Administration (FRA). UED staff worked closely with the FRA and other state agencies, including the Alabama Department of Transportation, on railroad safety matters, Alabama's Safety Outreach Task Force, the

Southern Rail Commission and the National Association of Regulatory Utility Commissioners.

The UED staff monitors national and local regulatory, congressional and legislative issues that concern transportation companies. The division also has the responsibility of assisting with the protection of railroad signals and train control facilities from third-party damage.

Utility Enforcement

The subsequent paragraphs discuss each section’s significant regulatory policies, duties and major activities and accomplishments during FY-2025.

MOTOR CARRIER SERVICES

Insurance and Registration

The Insurance and Registration staff registers intrastate, for-hire transportation companies that are not exempt from state oversight by law; registers interstate commercial motor carriers, private motor carriers, freight forwarders and brokers under the Unified Carrier Registration (UCR) Act; requires such intrastate carriers to file verifiable forms of liability insurance, cargo insurance, bonds and self-insurance; and issues motor carrier vehicle registration numbers to intrastate, for-hire companies. Staff also processes orders of revocation for failure to comply with APSC rules and regulations and orders of reinstatement after such proof has been received and verified, as prescribed by law.

The section collects, accounts for and processes any payments to be deposited into the state treasury or the federal UCR depository, as required by law. It is responsible for maintaining journals, ledgers, receipts and various other financial and certification records and reports of payments received and deposited.

In addition, staff attends and participates in UCR board meetings and subcommittee meetings. Solicitation by mail and email is sent to carriers subject to the UCR throughout each registration year to ensure carriers are aware they need to pay the UCR registration

fee for that year. The staff performs UCR audits on carriers each year, as required by UCR board policy.

Insurance Filings	
• Self-Insurance, bonds for liability and cargo, certificates for liability and cargo, bonds for brokers	3,831
• Insurance Correspondence	278
Registrations	
• UCR Registrations:	
◦ Online	11,642
◦ Office	50
• UCR Audits:	
◦ Companies Audited	153
◦ Audit Correspondence	173
• Intrastate Authority Applications Received:	
◦ New authority applications	120
◦ Transfers of authority	1
◦ Applications to provide service for nonprofit organizations	26
• Motor Carrier Vehicle Registration Numbers issued	200
Revocations and Reinstatement of Authority	
• Revoked for not complying with Commission rules and regulations	261
• Reinstated after compliance	147

Rates and Services

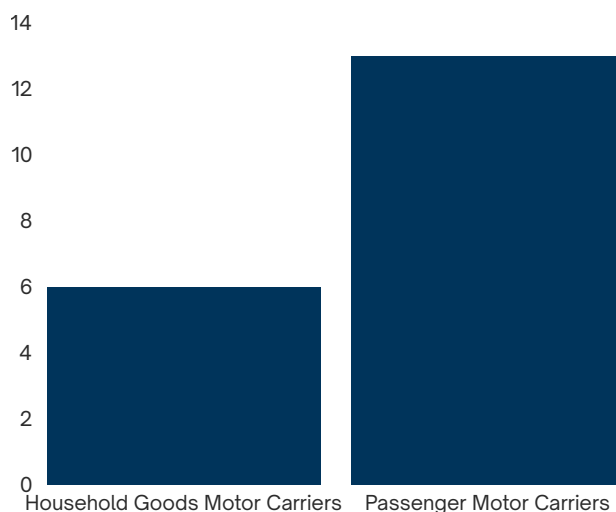
The Rates and Services analysts advise the APSC on matters pertaining to the rates, fares, charges, services and facilities of all regulated modes of intrastate transportation. Staff maintains a file of all tariffs setting forth rates, fares, charges, classification and rules and regulations for service provided by intrastate transportation companies. Staff also verifies tariffs and supplements issued are following APSC rules and regulations. They also analyze tariff changes and justification statements from the motor carrier to determine the affected outcome to the public.

Utility Enforcement

If the APSC institutes a formal investigation of a proposed tariff, a public hearing is set and held to review the matter. When the record is complete, the hearing officer and other members of the APSC staff study and analyze the evidence of record and make recommendations to the Commission. After a Commission decision is made, an order of the Commission is prepared for their approval.

The Rates and Services staff receives and maintains motor carrier annual reports that are required to be filed by April 30 of each year, covering the previous calendar year of operation. The staff also handles requests for verification of rates, fares and charges of transporters of passengers and household goods. The staff also verifies rates and services provided by motor carriers through compliance audits of carriers' records. Further, this arm of the Motor Carrier Services Section handles and resolves transportation complaints filed by the public and industry representatives

MOTOR CARRIER TARIFFS FILED



ANNUAL REPORTS FILED



149
Annual reports
filed.

Transportation Network Companies

The APSC regulates transportation network companies (TNCs) that offer an online platform for private citizens to provide ride-sharing opportunities to the public using their own personal vehicles. The staff performs annual inspections of TNC records to ensure they follow Commission rules and investigates complaints against TNCs or TNC drivers.

Railway Safety Section

The Railway Safety Section conducted safety compliance inspections on all railroad common carriers' track and equipment in Alabama under state and federal standards. Track inspections were conducted on mainline tracks, siding and lead tracks and yard tracks on which operations were conducted over the general rail system. These routes included, but were not limited to, hazardous materials routes, Strategic Rail Corridor Network (STRACNET), passenger train routes and crude oil/ethanol routes. The equipment inspections included examinations of rolling stock (rail cars), locomotives, roadway maintenance machines (rail-bound

Utility Enforcement

work equipment) and hi-rail vehicles (vehicles that can operate legally on public roads and by rail). These inspections also monitored compliance with regulations for Railroad Workplace Safety.

There are over 3,900 miles of track in Alabama. This trackage is owned and maintained by five major Class One railroads, one Class Two railroad and 25 Class Three railroads. There are railroad classification yards located in Birmingham, Mobile, Montgomery and Sheffield, where trains are built for departure to multiple points around the United States. These yards are also the terminus for many trains coming from other states. Also, located throughout the state are many switching yards. Thousands of units of rolling stock traverse these tracks each day, hauling a multitude of commodities.

The Railway Safety Section also reviewed data gathered by itself and the FRA to determine where areas of concern with railway safety may exist. Once these areas were identified, plans were made to perform focused inspections or joint inspections with the FRA, and our Railway Safety inspectors ensured any problems could be addressed thoroughly and accurately. Railway Safety staff participated in two focused inspections on carriers that had shown patterns of noncompliance that were identified through data



Railway Safety Section staff Heath Thompson, Chris Hester and Blake Conway inspect a section of track in Montgomery, Alabama, to ensure track is up to proper standards.

collected from regular inspections. They also conducted numerous joint inspections with FRA inspectors on various rail carriers in the state throughout the year, where two or three inspectors would team up to provide more detailed examinations.

Through data collection and review, it was discovered that most derailments that occurred in the past in Alabama happened on yard tracks. Utilizing this information, inspection staff directed more time and resources to perform inspections in these locations. There has been a reduction in reportable train accidents (other than grade crossing collisions) in Alabama of about 25% from FY-2024 to FY-2025 at the time of this report. The reporting guidelines allow for a time frame that extends beyond the end of the fiscal year; therefore, it is possible that the number could change slightly.

Utility Enforcement

This section investigated railroad accidents and derailments to determine probable causes and handled complaints from railroads, railroad employees, labor unions, other governmental agencies and the public pertaining to railway safety.

The Railway Safety Section added an Operating Practices Inspector position during FY-2025. This increases the scope of regulatory enforcement of the railroads to include general railroad operations by focusing on 49 CFR Parts 217 and 218. Operating Practices inspectors oversee and regulate the operating practices of the railroad to ensure compliance with the regulations and reduce human factor incidents.

Activity	Motive Power & Equipment	Operating Practices	Track
Track Miles Inspected	--	--	2,792
Turnouts Inspected	--	--	1,642
Locomotives Inspected	32	--	--
Freight Cars Inspected	6,746	--	--
Hazmat Cars Inspected	98	--	--
End-of-train Devices Inspected	--	--	--
Railroad Records Inspected	429	--	381
Bridge Observations	--	--	109
Roadway Worker Observations	--	--	518
Roadway Machines Observed	--	--	162
Blue Flag Observations	41	--	--
218 Operations Observations	--	51	--
217 Operating Rules Observations	--	40	--
220 Communication Observations	--	51	--
Equipment Securement Observations	--	103	--
Train Shoving Movements Observed	--	54	--
Noncompliant Conditions Identified	1,247	62	785
Violations Recommended	--	3	6
Complaints Investigated	1	--	9
Accidents/Derailments Investigated	--	--	6



Railway Safety Section staff from left: Michael Lowe, Eddie Nix, Chris Hester, Heath Thompson and Blake Conway

Gas Pipeline Safety Division



About the Division

The Gas Pipeline Safety (GPS) Division operates under the regulatory oversight of the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) through a certified state partnership program. The Division is responsible for the administration and enforcement of the federal pipeline safety regulations codified under Title 49, Code of Federal Regulations, Parts 190–199, as adopted by the Alabama Public Service Commission.

Gas Pipeline Safety

Director: Jonathan Kimbril

The Minimum Federal Safety Standards, established under the Natural Gas Pipeline Safety Act of 1968, are designed to protect public safety by prescribing requirements for the design, construction, operation and maintenance of natural gas and hazardous liquid pipeline systems. The GPS Division conducts comprehensive inspections, investigations and compliance monitoring of Alabama's intrastate pipeline operators to ensure adherence to these standards.

In partnership with PHMSA, the GPS Division's activities encompass both onshore and offshore pipeline facilities located within the state's jurisdiction. The Division's mission is to promote pipeline safety, integrity and reliability through consistent enforcement, technical assistance and operator education. By maintaining close coordination with PHMSA and the regulated industry, the Division helps ensure the safe and efficient operation of Alabama's pipeline infrastructure in accordance with federal and state safety requirements.

Key Responsibilities

Acting under the authority of the APSC, the GPS Division is responsible for ensuring every intrastate natural gas and hazardous liquid pipeline system within Alabama operates in full compliance with federal pipeline safety regulations. This oversight extends to systems located in state waters, offshore platforms and across Alabama's diverse geographic regions.

The GPS Division fulfills these responsibilities through comprehensive inspection and enforcement programs that include Integrity Management, Construction, Operations and Maintenance, Operator Qualification, Public Awareness, Control Room Management and Drug and Alcohol Compliance inspections. A proactive inspection schedule, combined with timely follow-up reviews and corrective action verification, ensures operators remain accountable for sustaining the highest standards of safety, reliability and operational performance across Alabama's pipeline network.

PHMSA Audits

Each year, PHMSA conducts a comprehensive audit of the GPS Division to ensure the Division's procedures comply with all applicable federal requirements. These audits are critical in evaluating the Division's adherence to the administrative guidelines established under the federal grant program that partially funds GPS operations. To maintain impartiality and promote continuous improvement, PHMSA assigns state program liaisons to conduct the audits, rotating liaison assignments approximately every three years to encourage balanced program development across all functional areas.



Gas Pipeline Safety

The PHMSA audit process consists of three primary components:

1) Program and Records Review: PHMSA evaluates documentation related to inspections, compliance actions and enforcement activities to confirm that GPS maintains accurate records of its regulatory work.

2) Field Audit: PHMSA conducts on-site observations of GPS inspections involving both natural gas and hazardous liquid

operators. This review verifies that inspection protocols are properly followed and assesses the effectiveness of GPS's inspection and enforcement procedures in real-world applications.

3) Damage Prevention Audit: PHMSA reviews Alabama's damage prevention program and relevant state laws to assess GPS's effectiveness in enforcing excavation-related safety requirements, promoting public awareness and preventing third-party damage incidents.



From left: Will Harrison, Felisa Webster, James Morrow, Kris Taylor, Daniel Trapp, Kyle Childs, Jonathan Kimbril, Randall Hand, Kevin Key, Shawn Emmons, Preston Walls, Brett Cochran and Jeremy Humphries

Gas Pipeline Safety

Training and Qualifications

To maintain qualifications, GPS investigators must complete extensive training, including both in-person courses at the PHMSA Training and Qualification Center in Oklahoma City, Oklahoma, and online training sessions. This comprehensive training ensures that inspectors remain proficient in current federal pipeline safety regulations. In FY-2025, GPS staff completed:

- 21 instructor-led training courses
- 4 web-based training modules
- 4 seminars and 1 technical workshop

The Division continues to strengthen its workforce through recruitment and development initiatives. Newly hired investigators have begun their required training curriculum, and four investigators have successfully achieved full PHMSA certification. Ongoing participation in PHMSA's Training and Qualifications Program ensures GPS inspectors remain current with evolving regulatory standards and industry best practices.

The APSC's GPS remains committed to continuous professional development by maintaining an internal training matrix, tracking performance and certification progress and aligning all qualification activities with PHMSA audit expectations to ensure the highest standards of competency and regulatory compliance.

Expanding Responsibilities and Industry Involvement

The scope of the GPS Division's responsibilities continues to expand as new inspection and compliance programs are introduced. Programs such as Distribution Integrity Management, Transmission Integrity Management, Public Awareness, Control Room Management, Operator Qualification, Section 114 and Drug and Alcohol Compliance have increased the training and technical proficiency requirements for GPS investigators. These evolving regulatory areas require inspectors to maintain advanced knowledge and specialized skills to ensure consistent enforcement of federal and state safety standards.

In addition to their inspection duties, several GPS staff members have been nominated to serve on national and regional industry standards committees and working groups. Through this involvement, Alabama's program contributes directly to the development and refinement of pipeline safety regulations, helping to strengthen safety practices and promote uniformity across the nation's pipeline safety framework.

This expanded scope of responsibility enhances collaboration between the APSC, PHMSA and industry partners such as the Alabama 811 and the Alabama Underground Damage Prevention Authority (ALUDPA). It allows the GPS Division to share operational insights, adopt best practices and proactively

Gas Pipeline Safety

address emerging safety challenges. By maintaining active participation in industry discussions and policy development, the GPS Division reinforces Alabama's position as a leader in regulatory excellence within the national pipeline safety community.

Annual Seminar and Operator Engagement

In December 2024, the GPS Division hosted the 37th Annual Alabama Gas Pipeline Safety Seminar. The seminar featured presentations on recent updates to federal regulations and Minimum Federal Safety Standards, drawing more than 360 attendees representing natural gas and hazardous liquid pipeline operators from across the state and region. The event also included participation from over 35 industry vendors showcasing equipment and technologies used in gas and liquid pipeline operations.

This annual seminar serves as a vital platform for operator education, regulatory updates and professional networking. It reinforces the Division's commitment to promoting safety awareness, operational excellence and open communication between industry stakeholders.

Inspection Overview

At the end of FY-2025, GPS exercised jurisdiction over:

- 74 Intrastate natural gas distribution systems (including 10 with transmission assets)
- 15 Intrastate natural gas transmission systems
- 2 Liquefied natural gas systems
- 2 Hydrogen transmission systems
- 11 Master meter distribution systems
- 7 Gas gathering systems (including offshore systems)
- 6 Hazardous liquid transmission systems (including six break-out tanks)

When operators are found to be noncompliant, GPS outlines corrective actions and ensures these are implemented by the responsible parties.

Public Awareness and Damage Prevention

GPS is also deeply involved in public awareness initiatives, including Alabama Public Awareness Cooperative Training sessions, which educate first responders, emergency officials, contractors and stakeholders about pipeline safety. Underground utility damage prevention remains a critical focus, and GPS staff have actively contributed to the ALUDPA. In FY-2025, GPS personnel participated in the 11th Annual Damage Prevention Summit and engaged with PHMSA to review the state's efforts, earning a satisfactory evaluation.

Gas Pipeline Safety

National and State Engagement

GPS personnel continue to represent Alabama in national pipeline safety discussions, serving on various PHMSA task forces and actively contributing to the National Association of Pipeline Safety Representatives. Through these roles, GPS staff provides input on federal initiatives, policy development and best practices that shape the national framework for pipeline safety oversight.

At the state level, GPS maintains strong partnerships with key industry organizations, including the Alabama Natural Gas Association (ANGA), Alabama 811 and the ALUDPA. GPS staff routinely participate in ANGA's spring and fall seminars, offering technical training sessions, regulatory updates and safety presentations to operators and field personnel.

FY-2025 Performance Summary

During FY-2025, GPS conducted 712 inspections and operator training sessions, utilizing 1214.75 in person-days for inspections and operator training.

Inspection by Type	Natural Gas	Hazardous Liquid	Total
Standard	128	7	135
Construction	197	0	197
Integrity Management	15	0	15
Operator Qualification	67	1	68
Control Room Management	2	0	2
Incident/Accident	0	0	0
Telephonic Reports	29	0	29
Public Awareness	13	2	15
Follow-up	180	2	182
Drug and Alcohol	22	4	26
Section 114	34	0	34
Operator Training	7	2	9
TOTAL	694	18	712

Gas Pipeline Safety

Work Activities	Person Days
Standard Inspections	507
Construction Inspections	231.50
Integrity Management Inspections	21
Operator Qualification Inspections	74.75
Control Room Management Inspections	1.50
Incident/Accident Inspections	0
Public Awareness Inspections	13.75
Follow-up Inspections	188.5
Drug and Alcohol Inspections	17.75
Section 114 Inspections	28
Operator Training	131
TOTAL PERSON DAYS	1,214.75

Accident Prevention and Training

Accident prevention remains a central priority of the GPS Division. To reduce risks and promote the safe operation of pipeline systems, GPS has implemented a range of training programs designed for both pipeline operators and emergency response personnel. These initiatives strengthen preparedness, improve coordination during incidents and reinforce Alabama's overall pipeline safety framework.

Among the Division's specialized programs, training in natural gas firefighting techniques provides emergency personnel with the skills needed to effectively manage gas-related incidents. In Fiscal Year 2025, a total of 50 individuals received hands-on instruction in gas fire suppression, enhancing their capability to safely respond to leaks, fires and other hazardous events involving natural gas infrastructure.

Gas Pipeline Safety

In addition to emergency response training, GPS continued its certification programs in polyethylene (PE) plastic fusion, a critical process used in the construction and repair of gas pipeline systems. Proper PE fusion is essential to ensuring the integrity of joints and minimizing the risk of leaks or ruptures. During FY-2025, 623 individuals successfully completed PE fusion certification training, further supporting the reliability and safety of Alabama's pipeline network.

These comprehensive training and certification initiatives play a vital role in accident prevention by ensuring operators, contractors and first responders possess the technical expertise necessary to safely perform their duties. Through continuous education, field-based training and proactive outreach, the GPS Division promotes a strong, statewide culture of safety and preparedness across Alabama's natural gas and hazardous liquid pipeline systems.

Incident Reporting

During FY- 2025, Alabama achieved a significant safety milestone with no reportable incidents meeting the PHMSA criteria for mandatory reporting. Under federal regulations, reportable incidents include those involving a fatality, an injury requiring hospitalization or property damage exceeding \$145,400.

The absence of federally reportable incidents underscores the effectiveness of the GPS Division's comprehensive inspection program, proactive accident prevention initiatives and rigorous enforcement of safety standards. This outcome reflects the continued commitment of both the division and Alabama's pipeline operators to maintaining the highest levels of safety, reliability and integrity within the state's natural gas and hazardous liquid pipeline systems.

Through sustained collaboration with PHMSA, local operators and emergency response partners, GPS continues to strengthen Alabama's pipeline safety record, ensuring compliance with all federal and state requirements while promoting a culture of continuous improvement and operational excellence.



*GPS Division
Director Jonathan
Kimbril and Pipeline
Safety Investigator
inspect an area of
pipelines in
McIntosh, Alabama.*

APSC History

The Alabama Public Service Commission (APSC) was designated as such in 1915 by the Alabama Legislature. The Commission evolved from the Railroad Commission of Alabama, which was created in 1881 to regulate railroads. The Commission has always been composed of three elected members: a president and two associate commissioners.

Between 1881 and 1915, the Legislature extended the Railroad Commission's jurisdiction to include express companies, sleeping car companies, railroad depots and terminal stations. In addition, the Commission's jurisdiction was broadened to include the regulation of telephone and telegraph companies, transportation companies operating as common carriers over water and operators of toll bridges, toll ferries and toll roads. The Commission was also charged with the regulation of utilities providing electricity, gas, water and steam, companies operating streets or inter-urban railways, as well as rail and communication companies already subject to regulation by the former Railroad Commission. The newly constituted agency thus became known as the APSC. The Commission's authority was extended to approving the sale or lease of utility property or franchises. It was broadened again in 1920 when the Legislature made the APSC responsible for regulating utility rates.

History

As Alabama's highway system developed in the late 1920s, the operation of trucks and buses as common carriers increased. In 1927, the Legislature placed all motor transportation companies operating as common carriers of freight and/or passengers over regular routes on Alabama highways under the Commission's regulatory authority. The Legislature broadened the Commission's authority over transportation companies in 1931 and 1932 by including motor carriers not operating over regular routes. Intrastate air carriers were made subject to the Commission's jurisdiction in 1945. Natural gas transmission and distribution systems were placed under the Commission's jurisdiction for safety purposes in 1968.

In 1971, the Commission's authority over motor carriers was broadened yet again as transportation enforcement officers were empowered to enforce the APSC rules and regulations. Similarly, the Commission's safety jurisdiction was extended to include railroad tracks and equipment in 1976 under the State Participation Program of the Federal Railroad Safety Act of 1970.



*The APSC was originally established as the Railroad Commission of Alabama in 1881.
Photo provided by Encyclopedia of Alabama.*

In 1977, the Legislature recognized the need to have an advocate charged exclusively with representing utility consumers before the Commission. The Legislature accordingly empowered the Office of the Attorney General of Alabama to represent consumers and the state in proceedings before the Commission during the 1977 legislative session. In recent years, sweeping federal and state statutory changes have significantly altered the Commission's jurisdiction and authority over transportation and telecommunications utilities. Title IV in the Federal Aviation Administration Act of 1994 provides for federal preemption of the states in matters of motor carrier pricing, routes and services for all but household goods carriers. As a result, Commission certification and tariff approval are no longer required for those motor carriers whose state Commissions are federally preempted from regulating beyond minimal initial requirements. The Commission continues to regulate carriers of passengers and household goods, ensures all motor carriers maintain appropriate cargo and liability insurance and ensures all regulated carriers comply with applicable safety standards.

History

With the passage of the Telecommunications Act of 1996, Congress opened the local exchange telephone markets to competition. Large Incumbent Local Exchange Companies (ILECs) such as BellSouth and CenturyTel, who previously operated as the only local carrier within their Commission-certified service areas, must now make their services available for resale and lease components of their embedded network to new entrants, sometimes referred to as Competitive Local Exchange Carriers (CLECs). New entrants into the local telephone market may also petition the Commission to open independent telephone company local service areas to competition. The introduction of local competition forced the Commission to set utility prices for retail telecommunication services using market-based rather than cost-based methodology.

In 2005, the Alabama Legislature passed the Communications Reform Act. That Act, citing the competition that exists in the local telephone market, eliminated much of the APSC's authority over retail telecommunication services. Additionally, Commission jurisdiction was eliminated for all broadband services used for internet delivery. The Commission did, however, retain full jurisdiction over wholesale telecommunications services and matters concerning Universal Service.

As the telecommunications industry continued its evolution, the Alabama Legislature in 2009 amended the Communications Reform Act of 2005 to eliminate the Commission's pricing jurisdiction over stand-alone basic service and optional telephone features for large ILECs and any rural ILEC agreeing to surrender its rural exemption from competition. As of September 30, 2025, only three rural ILECs have elected to waive their rural exemption, leaving 23 rural ILECs under the Commission's jurisdiction pursuant to the 2005 Communications Act or the regulatory structure, which existed prior to its passage.

It was also in 2009 that the Alabama Legislature determined certain privately owned wastewater systems that discharge below the surface should be subject to APSC jurisdiction. Such wastewater management entities who operate and maintain cluster or community wastewater systems were made subject to APSC regulation regarding their rates and overall financial viability.

In 2014, the Alabama Legislature again amended the Communications Reform Act of 2005 to allow telecommunications carriers the option of removing themselves from the Commission's jurisdiction concerning complaints. As of September 30, 2025, 14 ILECs and 13 CLECs have exercised the allowed election to remove themselves from the Commission's complaint jurisdiction.

Effective July 1, 2018, the Alabama Legislature expanded the jurisdiction of the Commission to include responsibility for the regulation of Transportation Network Carriers (TNCs) operating in Alabama. In accordance with the directives of the Alabama Legislature, the Commission established rules, regulations and guidelines governing the operations of TNCs ranging from certification and safety requirements to the payment and distribution of the statutorily established fees for TNC service.

During the 2021 and 2022 Legislative Sessions, the Alabama Legislature adopted two separate Acts, which brought certain providers of sewer service under the jurisdiction of the Commission. The Commission is in the process of fulfilling its regulatory responsibilities regarding those entities.

Past and Present Commissioners

President

Walter L. Bragg
February 1881 – February 1885
Henry R. Shorter
February 1885 – February 1897
James Crook
February 1897 – February 1901
*John V. Smith
March 1901 – March 1905
B.B. Comer
March 1905 – January 1907
Charles Henderson
January 1907 – January 1915
Samuel P. Kennedy
June 1915 – January 1923
*A.G. Patterson
January 1923 – January 1927
Hugh White
January 1927 – January 1945
Gordon Persons
January 1945 – January 1951
C.C. (Jack) Owen
January 1951 – January 1965
Eugene (Bull) Conner
January 1965 – January 1973
Kenneth A. Hammond
January 1973 – December 1975
C.C. Whatley
December 1975 – January 1977
Juanita W. McDaniel
January 1977 – February 1980
William J. Samford Jr.
February 1980 – January 1981
Billy Joe Camp
January 1981 – January 1983
*Jim Sullivan
February 1983 – November 2008
Lucy Baxley
November 2008 – November 2012
Twinkle Andress Cavanaugh
November 2012 – June 2025
Cynthia Lee Almond
June 2025 – Present

*Also served as President of the National Association of Regulatory Utility Commissioners (NARUC)

**Also served as President of the Southeastern Association of Regulatory Utility Commissioners (SEARUC) and Second Vice-President of NARUC

Commissioner, Place 1

James Crook
February 1881 – January 1885
Levi W. Lawler
February 1885 – September 1892
Gen. James T. Holtzclaw
February 1893 – July 1893
Willis G. Clark
August 1893 – February 1899
A.E. Caffee
February 1899 – February 1903
William T. Sanders
April 1903 – January 1907
Charles Sanders
January 1907 – February 1907
W. D. Nesbitt
March 1907 – January 1911
Leon McCord
January 1911 – January 1915
B. H. Cooper
January 1915 – January 1923
Fitzhugh Lee
January 1923 – January 1943
Gordon Persons
January 1943 – January 1945
James Perdue
May 1945 – January 1947
James Hitchcock
January 1947 – June 1959
Ralph Smith Jr.
August 1959 – August 1960
Joe Foster
August 1960 – January 1963
Ed Pepper
January 1963 – January 1967
C.C. (Jack) Owen
January 1967 – January 1975
Jim Zeigler
January 1975 – January 1979
Pete Matthews
January 1979 – March 1981
Lynn Greer
March 1981 – November 1990
Jan Cook
November 1990 – November 2010
Twinkle Andress Cavanaugh
November 2010 – November 2012
****Jeremy H. Oden**
December 2012 – Present

Commissioner, Place 2

Colonel Charles P. Ball
February 1881 – February 1885
Wiley C. Tunstall
February 1885 – February 1895
Ross C. Smith
February 1895 – February 1899
Osceola Kyle
February 1899 – December 1900
Wiley C. Tunstall
December 1900 – January 1907
John G. Harris
January 1907 – July 1908
John A. Lusk
August 1908 – January 1911
Frank N. Julian
January 1911 – January 1915
S.P. Gaillard
January 1915 – January 1923
*Frank P. Morgan
January 1923 – May 1936
W.C. Harrison
June 1936 – January 1947
C.C. (Jack) Owen
January 1947 – January 1951
T.O. Walker
January 1951 – January 1955
Sibyl Pool
January 1955 – January 1971
Juanita W. McDaniel
January 1971 – January 1977
C.C. Whatley
January 1977 – January 1979
Jim Folsom Jr.
January 1979 – November 1986
Charles B. Martin
November 1986 – November 1998
George C. Wallace Jr.
November 1998 – November 2006
**Susan D. Parker, PhD.
November 2006 – November 2010
Terry L. Dunn
November 2010 – November 2014
Chris “Chip” Beeker Jr.
November 2014 – September 2024
Chris V. Beeker III
September 2024 – Present

Alabama

Public Service Commission



Jeremy H. Oden,
Place 1

Cynthia Lee
Almond,
President

Chris V.
Beeker III,
Place 2

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Alabama Public Service Commission



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36130



Telephone

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